



General Purposes Committee 29 January 2015

Report from the HR Director

For Action

Wards affected:
ALL

Localism Act 2011 – Pay Policy Statements

1. Summary

- 1.1. Section 38 (1) of the Localism Act 2011 requires England and Welsh local authorities to produce a pay policy statement on an annual basis. The Act does not apply to local authority schools.
- 1.2. The purpose of this report is to inform General Purposes Committee of the arrangements that have been put in place in Brent Council to meet the requirements of the Act. The Act requires the pay policy statement to be approved by a meeting of Full Council. It is the intention to take the report to the meeting of Full Council in March 2015.
- 1.3. The pay policy statement for the council is attached. The statement is consistent with the specific requirements of the Act detailed in the body of this report and sets out all the factual pay information in relation to those requirements. The Act requires the statement to be produced on an annual basis by the 31 March each year.

2. Recommendations

- 2.1 It is recommended that General Purposes Committee approve the draft Pay Policy Statement attached to this report as an accurate and factual representation of the council's pay arrangements for 2015/16 prior to consideration and approval by the Full Council in March 2015. Any amendments required during the year will be brought back to a future meeting of the General Purposes Committee and Full Council for approval.

3. Detail

Requirements of the Localism Act 2012

- 3.1 The Localism Act 2011 sections 38-43 requires local authorities in England and

Wales to publish a pay policy statement for each financial year beginning with 2012-13. This provision of the Act does not apply to staff in local authority schools.

3.2 The Act sets out the matters which must be included in an authority's pay policy statement as follows:

- the remuneration of its "chief officers";
- the remuneration of its "lowest-paid employees" (together with the definition of "lowest paid employees" adopted by that authority for the purposes of the statement, and the reasons for adopting that definition); and
- the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.

3.3 For the purposes of the statement the Act defines who is included under the term "chief officer". It includes the Head of Paid Services (Chief Executive, the Monitoring Officer, the statutory chief officers (directors) as well as non-statutory chief officers and deputy chief officers (managers who report directly to a chief officer).

3.4 Remuneration is also defined widely and includes not just basic pay/salary but also any bonuses, charges, fees e.g. election fees or allowances, benefits in kind, increases enhancements of pension entitlements and termination/severance payments. Remuneration in relation to employees who are not chief officers is also similarly widely defined.

3.5 The statement must set out the authority's policy on a number of specific aspects of chief officer remuneration:

- the level and elements of remuneration for each chief officer;
- the remuneration of chief officers on recruitment;
- increases and additions to remuneration for each chief officer;
- the use of performance related pay for chief officers;
- the use of bonuses for chief officers;
- the approach to final payments to chief officers when they leave the authority; and
- the publication of and access to information relating to remuneration of chief officers.

3.6 The policy statement must be published on the authority's website and in any other manner the authority considers appropriate. There is no requirement to include specific numerical data on pay and reward within the statement. However, it is necessary to consider how the information in the statement fits in relation to the information authorities are already required to publish. For example, The Local Government Transparency Code 2014.

Brent's Pay Policy Statement

3.7 The policy statement for Brent has been prepared incorporating all of the above requirements. The statement is attached to this report. There are no new proposals or policy changes attached to the statement as the information reflects current practice and is strictly factual in nature.

3.8 The introduction to the statement refers to the HR Strategy 2014 -17 which sets out the overarching objective of having the right people, with the right skills, attitudes and experience, in the right place at the right time to enable the organisation to deliver on its corporate objectives and priorities.

3.9 Brent's senior managers covered are those in the top three tiers in the management structure - the Chief Executive (Tier 1), Strategic Directors (Tier 2), Operational

Directors (Tier 3) and the Chief Legal Officer (which is the Council's monitoring officer but is a Head of Service level post). This includes all statutory and non-statutory chief officer posts.

- 3.10 All references to terms and conditions in the statement are factual. Where appropriate a link to the relevant pay policy e.g. the council's pension arrangements has been included.
- 3.11 In keeping with the requirements of the Act the statement will be published on the Internet with links to pay policy and information where appropriate.
- 3.12 As set out in the summary to this report the pay policy statement must be approved by a meeting of the Full Council and published by the 31 March each year. The information the authority is required to publish is factual, based on the current pay arrangements. There are no proposals to make any changes to these arrangements. The Full Council at its meeting in March 2015 will be requested to approve the Pay Policy Statement for the Financial year 2014/15 as required by the Localism Act.

4. Financial Implications

- 4.1 There are no financial implications arising from this report.

5. Legal Implications

- 5.1 The contents of the statement comply with regulation 38 of the Localism Act 2011. The approval of the pay policy will satisfy the technical requirements of Regulation 39 of the Localism Act 2011.

6. Diversity Implications

- 6.1 There are no diversity implications arising from this report.

7. Staffing/Accommodation Implications

- 7.1 There are no staffing implications.

8. Background Papers

- 8.1 None

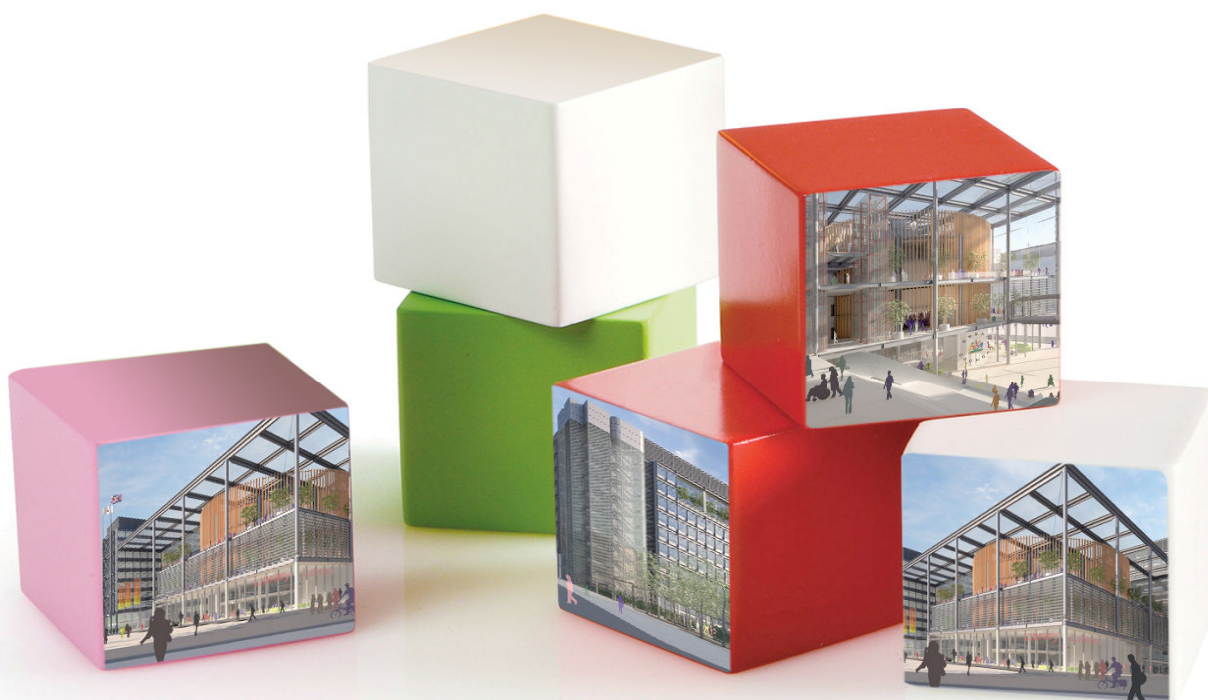
Contact Officers

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PAY POLICY STATEMENT

Financial Year 2015/16

April 2015



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BRENT COUNCIL PAY POLICY STATEMENT

Financial Year 2015/16

Purpose

The council's pay policy outlines Brent's policy on pay and benefits for all employees (excluding Schools) and has been developed to meet the relevant statutory provisions of the Localism Act 2011.

The pay policy will be reviewed on an annual basis and any changes will be approved in advance of each new financial year.

The pay policy statement can be amended during the course of any financial year, but only by a resolution of the Full Council. If it is amended during the year to which it relates, the revised version of the statement will be published as soon as reasonably practicable.

Strategic Context

The current and future pay and benefit arrangements are embodied in the council's HR Strategy for 2014/17 which reflects the Borough Plan priorities. The council's Borough Plan and One Council programmes provide the strategic framework for the council's workforce and people priorities.

The overarching objective for the HR Strategy is to have the right people, with the right skills, attitudes and experience, in the right place at the right time to enable the organisation to deliver on its corporate objectives and priorities.

Key strategic aims of the HR Strategy for 2014/17 are to:

- Achieving organisational effectiveness and strong performance management
- Recruiting, retaining and rewarding a diverse, highly skilled and motivated workforce
- Valuing diversity and reducing inequalities
- Developing high performing managers and talented staff
- Building the professionalism and skills of the workforce to support One Council projects and deliver high quality services

The council is committed to being a good employer, has an excellent track record in employing a workforce which reflects the community and in order to recruit and retain a high quality workforce will pay its staff at salary levels which will attract top performers. The move to the Civic Centre was achieved

in 2013 and significant inroads have been made into introducing new ways of working to support the relocation to new offices.

Review of Employee Benefits

The council's pay arrangements and terms and conditions play a key role enabling the council to fully realise its objectives and in ensuring the workforce is 'fit for purpose'. The impact of the review of the council's terms and conditions in 2013 are now being realised. The council is committed to fair and equitable pay and benefits arrangements to maintain a flexible, talented and performance focused workforce. The council has successfully recruited to a number of key roles this year following significant restructuring exercises to improve service delivery to the local community set against a backdrop of ever decreasing financial resources.

Last year as part of the review of HR policies and procedures the opportunity was taken to consolidate all the council's pay arrangements into a single policy document.

Council Pay Rates and Scales

Pay scales are reviewed annually in line with the National Joint Council agreements and are effective from 1st April.

The following pay scales have been adopted by the council:

1. GLPC Pay Scales (job evaluated) (main pay scales)
2. Senior Manager Pay Scales (job evaluated) (senior managers)
3. Soulbury Pay Scales (Education Psychologists, Advisors and Inspectors)
4. Youth and Community Service Pay Scales (Young People's and Community Service Managers)
5. Teaching Pay Scales (for centrally employed local authority teachers)

Remuneration of Senior Management (Chief Officers)

The council defines its senior management as the top 3 tiers in the management structure. This includes all statutory and non-statutory Chief Officer and Deputy Chief Officer roles. It comprises the Chief Executive, strategic directors and operational directors.

Currently the pay, expenses and declaration of interest are published for the Corporate Management Team which comprises the Chief Executive and the strategic directors.

The council may, in exceptional circumstances, employ senior managers under contracts for services. The council generally will aim to pay such

individuals at a rate consistent with the pay of directly employed staff performing a comparable role although there may be circumstances where a higher rate is warranted over the short term.

Remuneration of Lowest Paid Employees

The council defines its lowest paid employees as those staff paid on the lowest established grade and scale point which in Brent is Scale 2 spinal point 11 of the GLPC Pay Scales currently £17,013 per annum.

London Living Wage

The council has implemented the London living wage. This rate has been applied to all staff who receive less than £9.15 per hour. This will not apply to apprenticeships.

Pay Multiple

The 'pay multiple' is the ratio between the highest paid salary and the lowest/median average salary of the council's workforce. The council's highest paid employee is the Chief Executive. The current median salary is SCP 34 £31,368.

The current multiples are

Lowest salary multiple is 1:11

Median salary multiple is: 1:6

The council has not set a target for a maximum multiple. The pay multiple has remained relatively unchanged from 2014/2015. The council continues to pay the London living wage which has increased marginally. This also reflects capping of the Chief Executive's salary at £191,159 per annum.

Pay Grading

Single Status was introduced in 2009 for staff on the main pay scales. Single Status introduced common job evaluation schemes and pay scales for the council's former manual workers, administrative, professional, technical and clerical employees with the exception of education psychologists, nursery nurses, youth and community workers, chief officers and the chief executive.

Senior managers including chief officers have locally determined rates of pay which are linked to national negotiations for the determination of pay awards. A revised pay and grading structure for senior managers was introduced on 1st April 2013. The aim of the review was to reduce costs whilst ensuring the council's pay arrangements remained competitive.

In 2013 the council rationalised the terms and conditions for senior managers. Those senior management posts which fall within the JNC for Chief Officer definition are employed on JNC terms and conditions and all other senior managers are employed on NJC for Local Government Services terms and conditions with some local variations. The senior management posts which fall within the JNC definition are predominately the strategic directors, other directors with statutory responsibilities and the HR Director. This means that the majority of senior managers have terms and conditions which are largely consistent with those for other staff. A number of changes were also made to the JNC for Chief Officer terms and conditions to bring them more into line with the terms and conditions for all other staff.

Local Conventions for the GLPC Job Evaluation Scheme

Virtually all local authorities and organisations that use the GLPC Scheme have local conventions in place. Without local conventions, evaluators may interpret these terms differently – and hence gradings can be affected and consistency lost.

The council in March 2013 introduced local conventions to ensure that the scheme is applied consistently and fairly to all employees.

Public Health Transfer

Following major changes to the public health system, responsibility for public health transferred to local authorities on 1 April 2013. Fifteen staff transferred into the council under NHS terms and conditions including pay. A Director of Public Health has been recruited on Brent terms and conditions.

Pay on Appointment

All employees are normally appointed on the lowest pay spinal column point for their job evaluated grade. Employees may be appointed at a higher point, where they are currently earning more than the lowest pay spine for the role and where it is considered that they already possess the skills and experience needed to justify such a higher salary.

The council delegates authority to the Senior Staff Appointments Sub-Committee to make recommendations to the council on the appointment of all officers at operational director level and above and the council's Monitoring Officer.

Annual Pay Progression

Brent's pay policy is primarily based on evaluated pay grades, which each have a salary range comprising a number of incremental points. Other pay grades are nationally prescribed and also have incremental progression

arrangements. Most employees incrementally progress through the pay grade for their job. Progression will normally be one increment (pay spine column point) on the 1st of April each year until the top of the grade is reached for those on the main pay scales (separate arrangements apply during the first year of service where the start date is between 1st October and 31st March) and on the anniversary of joining for those on senior manager pay scales.

Pay progression is subject to satisfactory performance assessed during the annual appraisal process and can be withheld as a disciplinary sanction or where poor performance is being addressed.

Performance Related Pay and Bonuses

Council employees including the Chief Executive and directors do not receive performance related payments or bonuses.

National / Regional Pay Agreements

The council operates the national (JNC/NJC) and regional (GLPC) collective bargaining arrangements for pay and conditions of service for all employees, including senior managers. Pay is increased in line with national and regional pay agreements.

Details of the 2014/16 pay award agreement include:

- an increase of 2.2% for 2014/16 applicable from 1 January 2015
- higher percentage increases on SCPs 5 to 10 to provide a new minimum hourly rate at SCP5 of £7 per hour. This would increase further to £7.06 per hour on 1 October 2015 by the deletion of SCP5 (Brent Council does not pay any staff on SCP 5)
- non-consolidated lump sum payments of between £100 and £325 on SCP5 -25
- 0.45% of new salaries to employees on SCPs 26-49 inclusive
- a commitment to joint working for the future that would ensure the NJC was focused on issues of importance to both employers and employees.

The non consolidated payment was paid to eligible staff in December's salary. Only employees in post on 1 December 2014 were eligible for the payment, which was pro-rata for part-time employees.

Market Supplements

The council has phased out market supplement payments and has put in place employee benefits as part of the new benefits package to ensure the council remains competitive in the recruitment market. Currently there are only a small number of supplements in existence and these have planned end dates.

Fees for Election Duties

Election fees paid to employees (including chief officers) who assist in elections are in line with the rates agreed by the Government whenever general, regional or European elections occur. Where local elections occur fees will be determined using the cross-London agreed rates.

Pension

All non teaching employees are able to join the Local Government Pension Scheme. Teachers are able to join the Teachers Pension Scheme. Benefits for both schemes are paid in accordance with government regulations. NHS employees who transferred to the council under TUPE have access to the NHS Pension Scheme.

Payments on Termination of Employment

In the event that the council terminates the employment of an employee on the grounds of redundancy the terms of the council's redundancy and early retirement arrangements will apply.

Re-employment of Employees

Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be made on merit.

The re-engagement of employees including chief officers who are made redundant is subject to the council's re-engagement arrangements (contained within the council's Managing Change Policy). The policy sets out the minimum period a former employee must wait before being eligible to work for the council again, as well as outlining other restrictions.

Employees who are made redundant may not be re-engaged within twelve months of their termination of employment for reasons of redundancy. After twelve months the employee may be re-engaged via the normal recruitment procedures either to carry out the same work or a different job. Re-engagement is subject to the approval of the Operational Director and HR Director.

Tax avoidance

All permanent Brent staff including senior managers are paid through payroll which means that all taxes are deducted at source. A review of temporary staff has recently been concluded and it is Brent's policy to cover vacancies

through the use of approved agency workers or by appointing staff on fixed term contracts. Temporary workers providing services through their own companies will be carrying out projects and generally not covering permanent roles other than in exceptional circumstances e.g. where interim cover is essential whilst a permanent appointment is recruited. Where these situations do occur they will be limited in duration, usually to less than 6 months.

Publication and access to information

Brent's annual Pay Policy Statement will be published on the website where it can be easily accessed. Information about chief officers remuneration is published on the council's website www.brent.gov.uk in the section Senior Staff Salaries.

For further information on the Council's Pay Policy, please email askhr@brent.gov.uk.